

11/19/80

31 December 1980

MEMORANDUM FOR: Executive Committee Members
CIA Long-Range Planning Group Members
Long-Range Planning Issue Team Chairpersons


FROM : Deputy Director of Central Intelligence

SUBJECT : 1980 CIA Long-Range Planning Project - Summary Report

1. Forwarded herewith is a summary report on the EXCOM Long-Range Planning Project for 1980. Prepared by the Executive Committee Staff, the paper summarizes major conclusions reached in the ten issue papers and in Executive Committee deliberations concerning them. The paper consists of key findings; an assessment of the world environment of the 1980s and its intelligence implications; definition of basic problem areas; suggestions for the 1983 Program Guidance; and a forecast of the 1981 planning cycle. (AIUO)

2. This first long-range planning cycle has been informative and useful to the Executive Committee. We have benefited organizationally from both the process and from the project of our planning effort. Among these benefits have been the definition of major issues with which the Agency must deal in the 1980s; the systematic consideration of these issues by interdirectorates teams of line managers; and their articulation to CIA leadership at the most senior level. This planning exercise has resulted in the initiation of efforts to obtain substantially increased resources for some major CIA facility and system improvements. Also, although many of the issues presented could not be dealt with individually in this process, we have defined some broader directions for continued management attention. The productivity of this process has been such that I intend to recommend to the incoming DCI that he continue it in a similar but improved manner in 1981. (AIUO)

3. Both the Director of Central Intelligence and I thank all of you for your contributions and support to this major and innovative effort. I urge you to express to the participating personnel of your directorates and individual planning team members our positive evaluation of the results of this first annual long-range planning project and our appreciation of their individual contributions. (AIUO)


Frank C. Carlucci

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CIA MANAGEMENT DIRECTIONS FOR THE 1980s

SUMMARY REPORT OF THE EXECUTIVE COMMITTEE
LONG-RANGE PLANNING PROJECT

PREPARED BY EXECUTIVE COMMITTEE STAFF
DECEMBER 1980

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INTRODUCTION

This report summarizes the trends, assumptions, and implications for intelligence that have resulted from this first annual long-range planning exercise initiated by the Executive Committee. It presents four general issues developed from information presented in the individual issue papers, resource guidance for the FY-1983 CIA program, and directions for next year's planning cycle. (U)

KEY FINDINGS

The results of the long-range planning exercise are expressed as integrated policy-level perspectives of the problems likely to face U.S. policymakers and intelligence managers through the 1980s. These perspectives were generated from the extensive array of problems and assessments presented in the individual Foreign Policy and Management issue papers. The "micro-issues" raised in the individual papers will be handled within the regular Agency resource and budget process. Perspectives, guidance for the Comptroller for the FY-1983 CIA Program, and guidance for the next planning cycle are summarized below:

- (1) We are increasingly diverging from our traditional near-single focus on intelligence concerning Communist military strength toward a broader and more complicated range of intelligence topics in a larger number of countries. It is unlikely that we will be able to do all we will be asked to do in the near future without substantial growth in resources, cutbacks in existing lesser priority objectives, or a combination thereof.
- (2) We have been unable to accommodate within the regular Agency budget process the magnitude of resources necessary to make large capital improvements in vital support areas such as world-wide communications, space, and covert communications. If these capital needs are not reviewed comprehensively and a way found to acquire resources for them in the near future there may be catastrophic degradation in the security, reliability, and timeliness of basic CIA activities, particularly overseas.
- (3) There is a need to develop an overall philosophy and Agency-wide concept for the use of Covert Action in the 1980s. In addition, more sophisticated analyses of political action to achieve U.S. goals is necessary. The development and maintenance of standby capabilities for paramilitary use in the eighties require decisions on significant investments in the next year.

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- (4) The rapidly changing technology for world-wide communications and broadcasting portends substantial changes in SIGINT and overt broadcasting and collection techniques. Substantial early R&D investments will be needed to maintain viable collection efforts in the late 1980s. In addition, we have not been successful for technical and financial reasons in providing needed communications equipment in support of covert agent operations. This is a major area for additional study and decision in the months ahead.
- (5) These results of the EXCOM long-range planning process will be utilized by the Comptroller for FY-1983 CIA program and budget guidance. In effect, the regular budget process becomes the implementation mechanism for the EXCOM long-range planning decisions.
- (6) The EXCOM long-range planning process will be continued in 1981. We will build and improve on this year's process by better structuring of the issues, a slight increase in EXCOM Staff for this purpose, and more stress on policy-level issues review by EXCOM principals. (S)

THE ENVIRONMENT OF THE 1980s

This section summarizes the collective assessment of world-wide problems in the 1980s and their implications for intelligence. It was constructed from a detailed review of all the long-range planning issue papers, but draws especially from the Foreign Policy papers. (U)

THE WORLD ENVIRONMENT

- (1) The Soviet Union/East Europe bloc will remain our number one adversary. Soviet behavior will likely become less predictable and will be impacted by:
 - transition in its own leadership;
 - internal demographic and economic problems in population, labor supply, energy, industry, and agriculture;
 - challenges to the Soviet system arising in East Europe; and
 - increased challenges in the Third World by China and the West. (S)
- (2) Sino/U.S. and Sino/Soviet relations will continue much as they are now unless impacted by a major crisis in the areas mentioned above. We should not, however, take China for granted. We expect that:
 - Chinese modernization efforts will continue to expand, but slowly;

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- China's leadership will be tested internally as the aging leadership is replaced; and
 - there will be closer Sino/Japanese relations. (S)
- (3) Our traditional allies will show an increasing degree of independence due to:
- conflicting economic interests;
 - differences over relations with the Soviet bloc; and
 - a growing desire for independence from U.S. leadership. (S)
- (4) The Third World will pose increasing problems for the U.S.:
- chances for abrupt inimical changes will increase;
 - challenges to U.S. interests will require varying responses because the Third World is not a homogeneous entity; and
 - priorities of U.S. interests in various parts of the Third World may change rapidly. (S)
- (5) There will be strong concern over world-wide trends in resources, technology and economics, including:
- intense competition for scarce resources;
 - more competition for U.S. manufactured goods at home and abroad from foreign made items;
 - concern for foreign technology breakthroughs;
 - worry over the proliferation of nuclear capability;
 - slow world GNP growth; and
 - world-wide demographic trends. (C)
- (6) The United States will be influenced by:
- a stronger need to compete politically and economically around the world;
 - a desire not to be viewed by the world as a major obstacle to world peace;
 - concern over our competitive position in the world;
 - access to resources around the world; and
 - the desire to prevent political blackmail from threats of conventional, terrorist, economic or nuclear warfare. (S)

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THE IMPLICATIONS FOR INTELLIGENCE

- (1) We expect increased pressure from intelligence consumers for reporting on an expanded list of target countries and topics. At the same time, there will be added pressure to produce more on a wider range of topics concerning the Soviet bloc. (C)
- (2) There will be new areas for intelligence analysis, such as societal change studies, to facilitate understanding the how and why of Third World events. There will be expanding needs for cross-disciplinary studies to enable policymakers to decide what can be done to protect U.S. interests. (C)
- (3) Qualitative factors of weapons will become more important than quantitative ones in military force balance estimates, but the data for such analysis may become harder to obtain through the technical means used now. (S)
- (4) Increased emphasis on reporting about foreign policy decisionmaking processes, participants, and intentions. (C)
- (5) A trend toward requests for intelligence on topics of a more overt nature, such as public political events, trade, monetary actions, and civil air technology. (U)
- (6) World-wide tensions, competition, and chances for abrupt inimical change will place a premium on "indications and warning intelligence." (C)
- (7) A need for flexibility in the management of intelligence activities in order to react quickly to rapidly changing challenges to U.S. interests on a world-wide basis. (C)
- (8) There may be growth in the demands for actions to preempt or neutralize potentially harmful events in foreign countries. With analysts better able to understand the mechanisms for change in countries, there may be new opportunities to perform these operations or to conduct operations to direct that change in our favor. (S)
- (9) The evolution of mass communications media in foreign countries could mandate substantial changes in our methods of collecting overt material. (U)
- (10) Information denial techniques, communications technology advances, site availability problems, and mass encryption could pose problems for SIGINT and other major collection systems. Early investments in research and development may be needed to counter these developments. (S)
- (11) The products from planned new collection systems will require increased effort for processing and analysis. (C)
- (12) Our ability to operate overseas currently is severely hampered by antiquated and redundant management of personnel (MODE and the budget process), inferior covert agent equipment in the face of stronger opposition counter-measures, a rapidly outmoded and unreliable staff communications network, and disincentives to personnel for overseas service (lack of security, cost of living). All these overseas issues have to be addressed in the early 1980s. (S)

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COURSES FOR ACTION

The individual issue papers included a complex array of potential resource decision items. In order to determine the overall impact of the issues, sections from the individual papers were extracted and arrayed according to resource assumption level: no growth or high growth. (U)

NO GROWTH

The no resource growth level is defined as just meeting inflationary increases. The central theme at constant resources was that there would have to be major reallocation of effort to meet increased demands. Most of the foreign policy papers indicated that at no growth they could continue to work the current problem set with modest reallocations of collection and analysis resources. The Communications and Covert Action areas, on the other hand, noted intensive capital investment problems which could not be solved or mitigated without substantial additional funding. Therefore, the no-growth option implies continuation or worsening of existing deficiencies in these latter areas. (S)

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REALLOCATION

Only the paper on the Soviet Union/East Europe dealt in detail with divestiture or reallocation as a way of meeting changing needs. That paper enumerated a number of specific areas where CIA might terminate or reallocate current collection and production work. However, almost all the Foreign Policy papers alluded to the need, under the no-growth option, to prioritize targets and coverage. The Collection paper indicated that tradeoffs would have to be made: would need to make more use of people if funds were not available for improved monitoring technology, and SIGINT would concentrate on military versus economic and other kinds of intelligence. (S)

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MANAGEMENT DIRECTIONS FOR THE 1980s

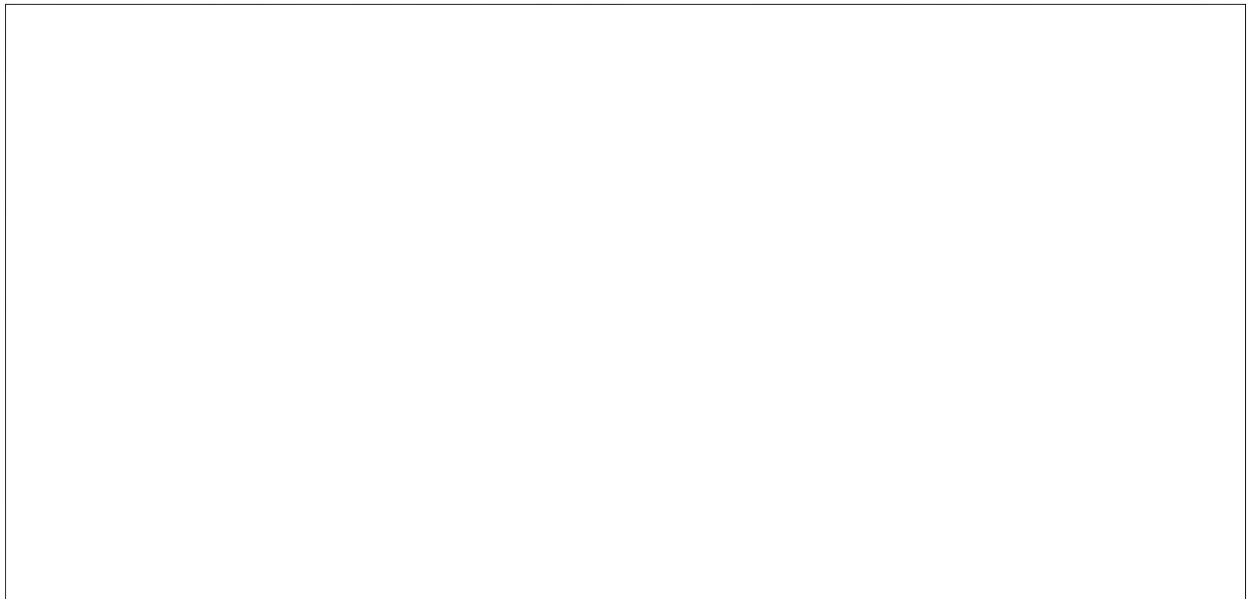
While the individual issue papers present a complex array of "micro-issues," most of which are resource related, examination does reveal certain common threads. The threads, mostly based on the Foreign Policy papers, lead to the conclusion that some basic problems need to be dealt with before decisions are made on the "micro-issues." Four such basic problems were formulated for management consideration. They were presented, not necessarily for decisions at this time, but for gaining recognition that these are the main items for continued management attention and decisions. The problem areas are:

- (1) INTELLIGENCE COVERAGE. We are now seeing, and will probably continue to see, an increase in the number of consumers and a proliferation of demands for intelligence. The number of countries of interest is expanding and the topics are becoming more diversified. There are also increased pressures for current reporting, crisis monitoring, and tactical support to policymakers. It appears unlikely that we will be able to do all we are likely to be asked to do in the future without both substantial growth of collection and analytic resources or tradeoffs of lesser priority objectives.
- (2) CAPITAL PROJECT PLANNING. We need to find a way to plan for and fund badly needed modernizations of support, processing and production facilities in the face of budgets that rarely increase by more than the amount of inflation for ongoing operations. The most severe impact has been in the communications area (staff and agent), but the lack of investment in other needed programs (SAFE, CRAFT, a new building) over the past years now puts us in the position of having to make large front-end investments soon or risk the loss of important and/or necessary capabilities.
- (3) COVERT ACTION. Generally speaking, Covert Action projects cannot be implemented without a cadre of in-place agents ready to

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1981 PLANNING CYCLE

The DCI, DDCI, and the Executive Committee have concluded that this first pilot year of long-range planning has been informative, useful and practical and that the process should be continued along similar lines in 1981 and beyond. While specific decisions were not taken on each of the individual issues presented, the process has resulted in the statement of general Agency long-range goals. In addition, the process has facilitated the exchange of ideas at the senior management level, illuminated areas for better interdirectorate cooperation, and provided a forum for line managers to share their thinking with Agency management. It also served to initiate problem-solving in specific areas at working levels. (U)

The 1980 effort required a large outlay of working hours by line officials for preparation of the issue papers and additional time and effort for organizing and managing the project. Shortcomings included lack of policy-level perspective in some of the papers, excessive length of some papers, lack of focus in some of the oral presentations, and inadequate time for management study of the issues before the oral presentation to EXCOM. (U)

For 1981, the participative approach to long-range planning will be retained. Line management will again be kept fully involved in the process. Although it was reemphasized that planning should not become a central staff effort, a decision was made to place two professional planning officers on the EXCOM Staff to play both substantive and procedural roles in the planning process. EXCOM acknowledged that they do need to enhance their discussions of the issues. The planning will therefore begin earlier in 1981, so that EXCOM review sessions can be scheduled at a more moderate pace, with more time available for members to prepare for the issue presentations and discussions. (C)

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FY-1983 PROGRAM GUIDANCE FOR THE COMPTROLLER

One goal of the long-range planning process was to derive general strategic future directions for the use of Agency resources. The CIA Program budget process is the major mechanism for implementing these objectives. The results of this first planning cycle have not been specific enough for rigorous trade-offs and specific decisionmaking. Nevertheless, the individual issue papers, the problem areas noted, and the EXCOM discussions and summary overview have provided a basis for resource goals and related actions for the 1983 program and beyond. The Comptroller's guidance for the FY-1983 program should therefore call for the following:

- design of a strategy within the next three to six months for capital investment to meet our large priority capital needs, including a modernized, upgraded world-wide communications system, a greatly improved agent covert communication capability, and a new headquarters building;
- a thoroughly analyzed covert action plan and program for the 1980s, to be prepared within the next three months, for EXCOM review;
- upgraded technical support for human source collection;
- enhanced support systems for operations and analysis (SAFE, CRAFT, NPIC);
- innovative ideas on technical collection and development of new collection concepts; and
- new production initiatives in the Third World and Soviet Union/East Europe. (S)

In constructing the FY-1983 program, the Comptroller should think in terms of seeking an increase of about [redacted] with inflationary increases on that base thereafter. This final report and the ten individual long-range planning issue papers should be considered in prioritizing resource requests for the FY-1983 program. Finally, an analysis of the program should be prepared showing how each of the long-range planning areas fares at various aggregate CIAP levels. (S)

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A list of the ten issue papers and key participants in the 1980 EXCOM long-range planning project is attached. This summary report and the ten individual long-range planning issue papers comprise the EXCOM 1980 Long-Range Planning Project Report. Copies of the individual staff papers are available from the EXCOM Staff. (AIUO)

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